(d) if not, the reasons therefor; and

(e) te present status of revival plan of Sindri and other units of FCI at Ramagundam, Talcher and Gorakhpur?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR) : (a) to (d) Yes, Sir. The operations of Sindri unit of Fertilizer Corporation of India (FCI) remain shut down since 16.3.2002 due to low level of feedstock. The operations have not been restarted due to lack of working capital because of fund constraints and absence of firm commitment from input suppliers.

(e) A Group of Ministers (GoM) has been constituted to examine the rehabilitation proposals of sick fertilizer Public Sector Undertakings including the Sindri unit of FCI. After considering the interim recommendations of GoM, Government have decided to close the Ramagundam, Talcher and Gorakhpur units of FCI as these have not been found viable.

Changes in fertilizer Retention Price Scheme

1802. SHRIMATI AMBIKA SONI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the fertilizer companies are expected to payback over Rs.1,800 crore as a result of Government's decision to introduce changes in the retention price scheme;

(b) if so, whether this would be in addition to Rs.1,374 crore already recovered by the Union Government; and

(c) if so, to what extent the Government would help to bring end to the uncertainty and enable the industry to take appropriate decision under a stable policy environment?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKADAR): (a) and (b) Policy parameters for 7th and 8th pricing periods under the existing Retention Price Scheme (RPS) have been approved by the competent authority on 16.5.2002 and have also been communicated to all urea companies on 4.6.2002. The final unit-wise determination of retention prices based on approved parameters would entail updating the norms of the various units in respect of salaries and wages, utilities, repairs and maintenance, consumption

norms, plant capacities, capital additions, foreign exchange fluctuations etc., that were not updated since 1.7.1997 and this may lead to recoveries in some cases and payments in some other cases. Prior to finalization of policy parameters for 7th and 8th pricing periods, the Government had carried out an interim reassessment of capacity and interim revision of consumption norms w.e.f. 1.4.2002 resulting in estimated recoveries of Rs.450 crores per annum and Rs. 769 crores per annum, respectively from the concerned urea units.

(c) Government is also in the process of formulating a new pricing policy for urea units keeping in view the recommendations of the Expenditure Reforms Commission for replacing the existing Retention price Scheme. The proposed pricing policy would be in the shape of Group Concession Schemes, which will aim at greater uniformity and transparency in the operational parameters and will induce urea units to take measures *sou moto* to be efficient and cost effective.

Bifurcation of Fertilizer Units for Subsidy

†1803. SHRI RAJIV RANJAN SINGH 'LALAN':
SHRI RAM JETHMALANI:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government are considering a scheme to provide subsidy to the decontrolled chemical fertilizer production units, by bifurcating them;

(b) if so, the names of the production units that would be included in the said bifurcation;

(c) the present production capacity of the units under the proposed bifurcation at present; and

(d) the proposed rate of subsidy?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR): (a) The report of Tariff Commission (TC) on costing of complex fertilizers under consideration of the Government. The TC has recommended formation of two groups of complex manufacturers. Group I consist the units manufacturing ammonia through gas or using imported ammonia while the Group II units manufacturing ammonia through naphtha or fuel oil.

†Original notice of the question was received in Hindi.